

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Essex Regional Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 2, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



ESSEX REGIONAL RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 20 years: 7% increase for 6 years, 4.17% for one year, 4% onward
Generational Mortality

Fiscal Year	Normal Cost	Unfunded Liability*	Funding		Schedule Contribution**	Adjusted Payments	% Change
			Amortization of UAAL	Net 3(8)(c) Payments			
2016	5,534,881	371,254,733	21,239,038	1,108,883	27,882,801	28,419,207	7.00%
2017	5,756,276	373,608,180	22,969,439	1,108,883	29,834,597	30,408,552	7.00%
2018	5,986,527	376,011,075	24,827,609	1,108,883	31,923,019	32,537,151	7.00%
2019	6,225,988	372,902,327	26,822,760	1,108,883	34,157,631	34,814,751	7.00%
2020	6,475,028	369,965,509	28,964,754	1,108,883	36,548,665	37,251,784	7.00%
2021	6,734,029	368,280,815	31,264,160	1,108,883	39,107,071	39,859,409	7.00%
2022	7,003,390	363,977,988	32,627,227	1,108,883	40,739,500	41,523,242	4.17%
2023	7,283,526	357,858,821	33,976,672	1,108,883	42,369,080	43,184,172	4.00%
2024	7,574,867	349,792,722	35,380,094	1,108,883	44,063,843	44,911,538	4.00%
2025	7,877,862	339,565,638	36,839,653	1,108,883	45,826,397	46,708,000	4.00%
2026	8,192,976	326,944,065	38,357,594	1,108,883	47,659,453	48,576,320	4.00%
2027	8,520,695	311,673,388	39,936,253	1,108,883	49,565,831	50,519,373	4.00%
2028	8,861,523	293,476,106	41,578,059	1,108,883	51,548,464	52,540,148	4.00%
2029	9,215,984	272,049,891	43,285,536	1,108,883	53,610,403	54,641,754	4.00%
2030	9,584,623	247,065,503	45,061,313	1,108,883	55,754,819	56,827,424	4.00%
2031	9,968,008	218,164,525	46,908,121	1,108,883	57,985,012	59,100,521	4.00%
2032	10,366,728	184,956,916	48,828,801	1,108,883	60,304,412	61,464,541	4.00%
2033	10,781,397	147,018,364	50,826,308	1,108,883	62,716,589	63,923,123	4.00%
2034	11,212,653	103,887,420	52,903,716	1,108,883	65,225,252	66,480,048	4.00%
2035	11,661,159	55,062,401	55,062,401	1,108,883	67,832,443	69,137,396	4.00%
2036	12,127,606	-	-	1,108,883	13,236,489	13,491,131	-80.49%

Amortization of Unfunded Liability as of July 1, 2015

Year	Type	Original Amort.	Percentage	Original #	Current Amort.	Years
		Amount	Increasing	of Years	Amount	Remaining
2003	2002 ERI	4,357	4.5%	26	7,722	13
2003	2002 ERI	336,771	0.0%	17	336,771	4
2004	2003 ERI	4,229	4.5%	25	7,172	13
2004	2003 ERI	193,085	0.0%	17	193,085	5
2016	Fresh Start	N/A	N/A	20	N/A	20

*Includes recognition of the following asset gains/(losses) in Fiscal 2017 through 2020:

2017:	\$4,408,771
2018:	\$2,678,766
2019:	\$6,375,816
2020:	\$3,800,424

**Contribution is set to be the amount resulting from a 7% increase on last year's contribution, with 7% increases for another five years, a 4.17% increase in FY2022 and 4% increases thereafter.